SEAPORT *e*

15 March 2005

CAUTION

The Information provided in this Presentation as well as the RFP reflect the Navy's current Acquisition Approach. Changes may occur based on Industry comments or changes in the Navy's contractual needs. The Formal solicitation is the only document that should be relied upon in determining the Navy's requirements.

What is SeaPort-e?

- The Virtual SYSCOM's Enterprise solution to acquire professional, engineering, and support services
- Multiple Award Contract (MAC) vehicles awarded to 150 prime contractors, each competing for individual task orders
- Nationwide contracts, in which requirements are competed in one of seven geographic zones based upon principal place of performance
- Scope of work includes all service requirements of the Navy
- Including Award Terms, the period of performance of the MAC is 15 years
- On-line SeaPort Portal enables electronic requirement determination, solicitation, source selection, and task order administration, anywhere in world

Current Situation

- Seaport ***e*** consists of 149 MAC primes in 7 geographic zones

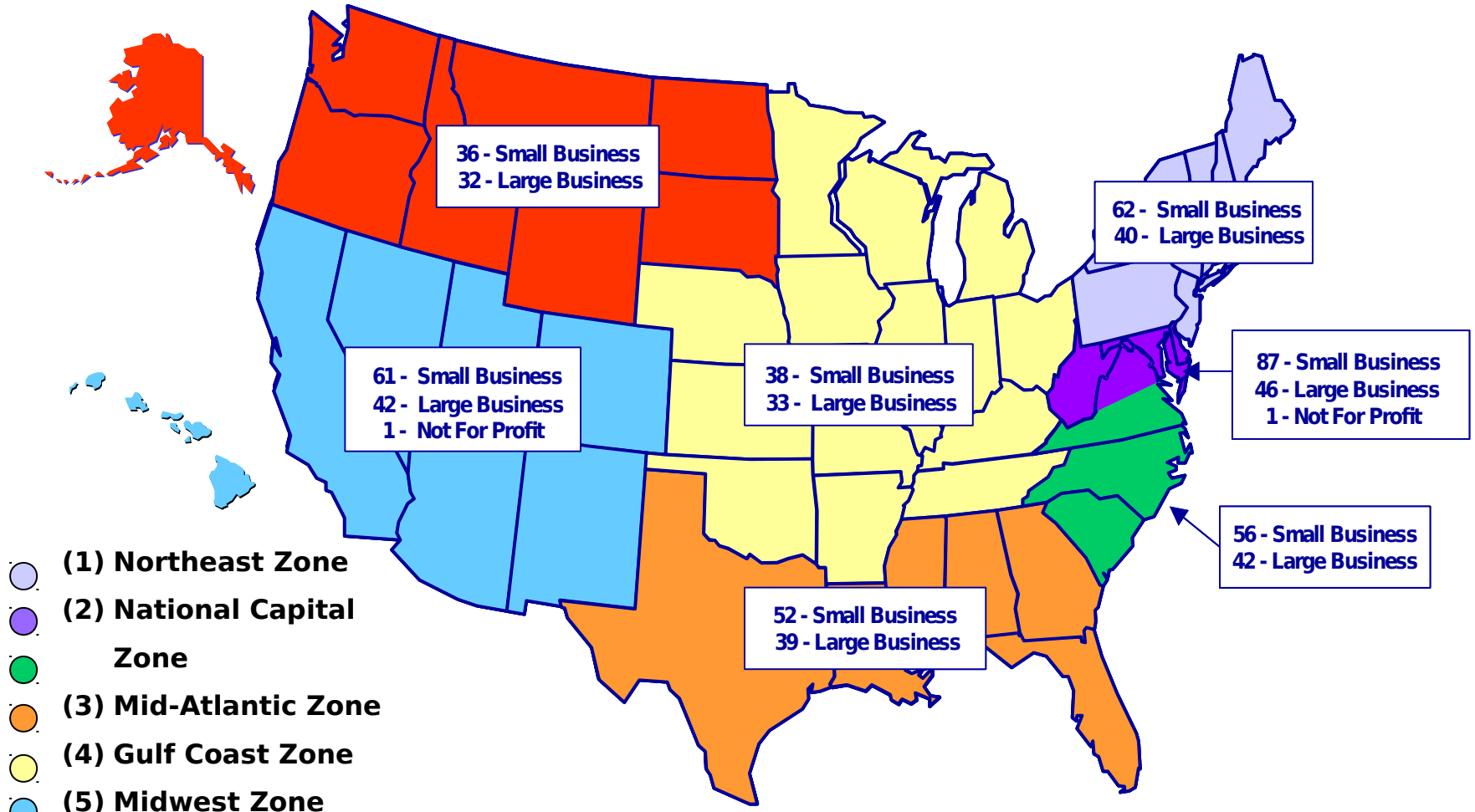
- Ordering activities with NAVSEA issued warrants place Task Orders against MACs

- Statement of work encompasses a broad range of engineering services subdivided into 21 areas aligned with NAVSEA Warfare Center product areas

- Place of performance indicates in which zone work is competed

- Web portal automates and streamlines process to generate requirements, compete and award Task

Zones


36 - Small Business
32 - Large Business
62 - Small Business
40 - Large Business
61 - Small Business
42 - Large Business
1 - Not For Profit
38 - Small Business
33 - Large Business
87 - Small Business
46 - Large Business
1 - Not For Profit
56 - Small Business
42 - Large Business
52 - Small Business
39 - Large Business
(1) Northeast Zone
(2) National Capital Zone
(3) Mid-Atlantic Zone
(4) Gulf Coast Zone
(5) Midwest Zone
(6) Southwest Zone
(7) Northwest Zone

Current Contract Characteristics

- Five year base and two five year Award Terms - Total of 15 year period of performance.
- Task Orders that involve Service Contract Act provisions must limit that effort to five years.
- Limits on pass-through, fees and annual escalation. Guaranteed savings clause.
- Rolling Admissions clause to add primes.
- Minimum guarantee at MAC Level, not by Zone.
- Cost and Fixed Price Task Orders permitted.
- No Time and Material Task Orders allowed.

Benefits

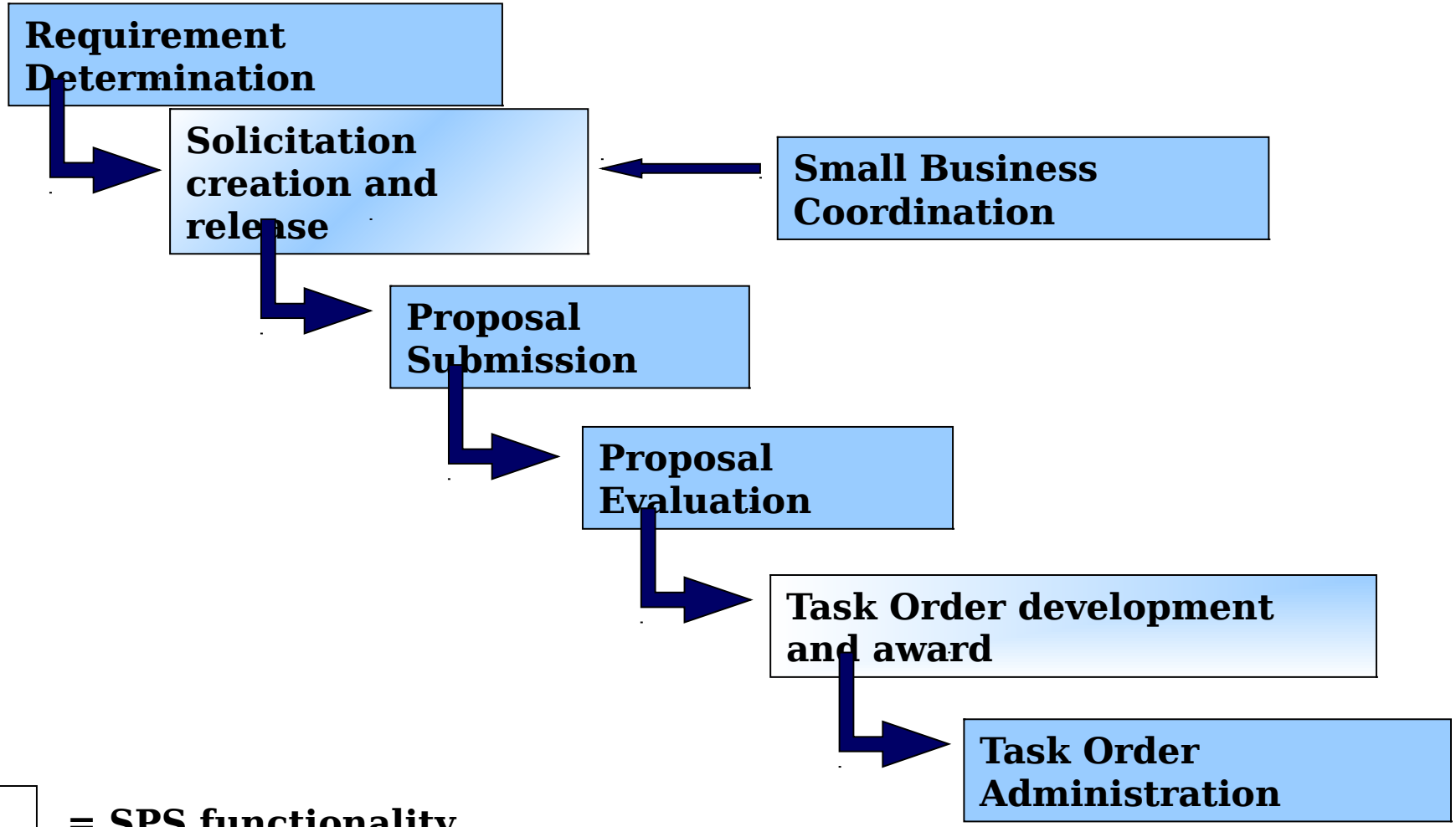
- Common acquisition processes and policy across the Navy
- Leverage buying power
- Rolling Admissions provisions provides opportunity for renewal
- Centralized program administration, decentralized execution
- Strong small business participation
- Ability to easily set competitions aside for small businesses
- Electronic review of requirements by Small Business Specialists
- Electronic, real time reporting and Business Intelligence

Seaport e Advantages

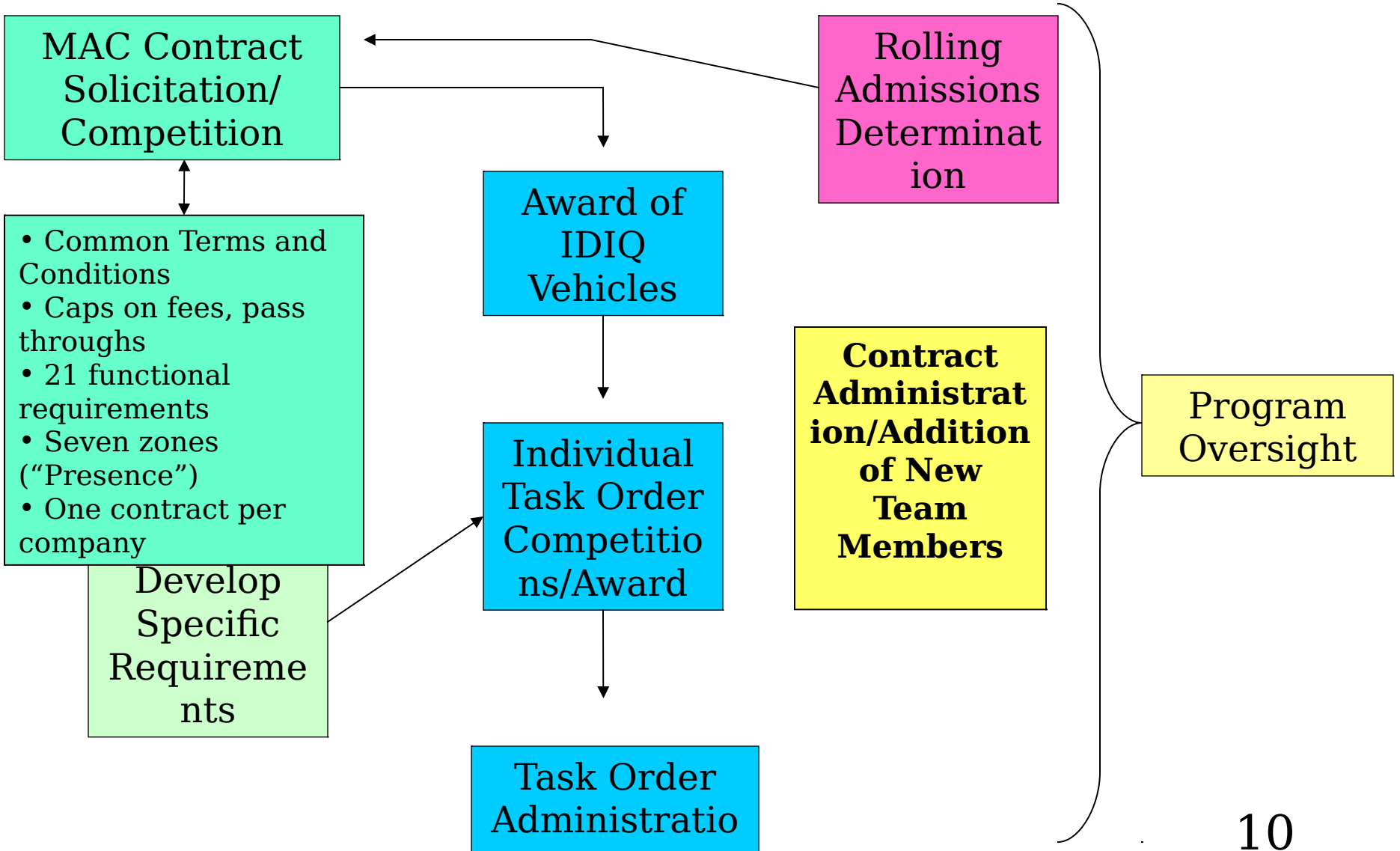
The Big Three

- Cost Savings on services
- Real-time insight into spend
- Process efficiency

SeaPort Process



How does SeaPort work?


MAC Contract Solicitation/ Competition
• Common Terms and Conditions
• Caps on fees, pass throughs
• 21 functional requirements
• Seven zones ("Presence")
• One contract per company
Develop Specific Requirements
Award of IDIQ Vehicles
Individual Task Order Competitions/Award
Task Order Administration
Rolling Admissions Determination
Contract Administration/Addition of New Team Members
Program Oversight

Current Spend

- 149 primes, 68% are Small Businesses
- 135 Task Orders Awarded as of 7 Mar 2005
- 49 of 149 primes have been awarded TOs
- Total Potential Value $1.1B, $133M Obligated
- 134 TOs In pipeline, Average cycle time 54 days
- Small Biz: 33% TOs, 38% $Potential, 28% $Obl

Rolling Admissions

- The Virtual SYSCOM, USMC, SSP, and MSC will be included as new ordering offices in next Rolling Admissions competition
- Contract contains a provision to allow new contractors to become Primes through the issuance of a new solicitation, substantially the same as the original
- Use by the Virtual SYSCOM will be mandatory for Engineering, Program Management, and Financial services, and encouraged for other areas
- Outreach efforts/Industry Briefs are currently underway

Rolling Admissions

Current Seaport ***e*** primes have the opportunity to expand into additional zones.

NSWC Dahlgren is the Contracting Office responsible for Rolling Admissions and MAC administration.

Ordering offices of Virtual SYSCOM activities will be responsible for the competition of their own requirements via Task Orders.

Acquisition Strategy

- Solicit (in a single Rolling Admissions solicitation) the entire nation for Virtual SYSCOM requirements.

- Add additional prime contractors to Seaport ***e*** and allow current MAC primes to compete for additional zones.

- Contractors may be awarded contracts providing them the ability to compete for Task Orders in a single or multiple Zones.

- Each Task is competed by the ordering activity that has the

Rolling Admission Schedule

- Dec 2004 Draft RFP issued
- 1 Mar 2005 RFP issued
- 1 Apr 2005 Proposals Due
- Apr 2005 Evaluation
- May 2005 Awards

NAVSUP Activities by Zone

- Northeast Zone
  - FISC Norfolk Det Philadelphia
- National Capital Zone
  - FISC Norfolk Det Washington
- Mid-Atlantic Zone
  - FISC Norfolk
- Gulf Coast Zone
  - FISC Jacksonville
- Southwest Zone
  - FISC San Diego
  - FISC Pearl Harbor
- Northwest Zone
  - FISC Puget Sound

NAVAIR Activities by Zone

- Northeast Zone
  - Lakehurst
- National Capital Zone
  - NAVAIR HQ
  - Patuxent River
- Mid-Atlantic Zone
  - Cherry Point
- Gulf Coast Zone
  - Jacksonville
  - Orlando
- Southwest Zone
  - China Lake
  - North Island
  - Point Mugu

NAVSEA Activities by Zone

- Zone One – Northeast
  - NUWC Newport
  - NSWC SSES Philadelphia
- Zone Two – National Capital
  - NSWC Carderock
  - NSWC Dahlgren
  - NSWC Indian Head
  - NAVSEA HQ
- Zone Three – Mid-Atlantic
  - NSWC Dam Neck
- Zone Four – Gulf Coast
  - NSWC Panama City
- Zone Five – Midwest
  - NSWC Crane
- Zone Six – Southwest
  - NSWC Port Hueneme
  - NSWC Corona
- Zone Seven – Northwest
  - NUWC Keyport

SPAWAR Activities by Zone

- 1-Northeast Zone
  - SPAWAR System Center Det Philadelphia
- 2-National Capitol Zone
  - SPAWAR Space Field Activity
- 3-Mid-Atlantic Zone
  - SPAWAR System Center Charleston
  - SPAWAR System Center Norfolk Office
- 4-Gulf Coast Zone
  - SPAWAR System Center Charleston - Pensacola Office
  - SPAWAR Information Technology Center
- 6-Southwest Zone
  - SPAWAR System Command
  - SPAWAR System Center San Diego
  - SPAWAR Systems Activity Pacific

SSP Activities by Zone

- 2 - National Capitol Zone
  SSP Headquarters
- 4 - Gulf Coast Zone
  Strategic Weapons Facility, Atlantic
- 7 - Northwest
  Strategic Weapons Facility, Pacific

Communication

- Constant contact with industry and Government
  - e-pco@seaport.navy.mil or www.seaport.navy.mil
  - Brief to Secretary Young – Very Supportive of the AS
- Industry outreach events
  - NAVAIR industry day 350+ attended Dec 2004
  - SPAWAR industry days 400+ attended Jan 2005
  - NAVSEA industry days 400+ attended Dec-Jan
  - Additional events at local sites
- 1102 outreach
  - SPAWAR, FISC San Diego, SSP
- All significant events posted in portal and on FBO
- Press coverage
  - Local papers, NAVSEA publications, “doing business with” web sites, especially SADBU outreach portals

Training and Registration

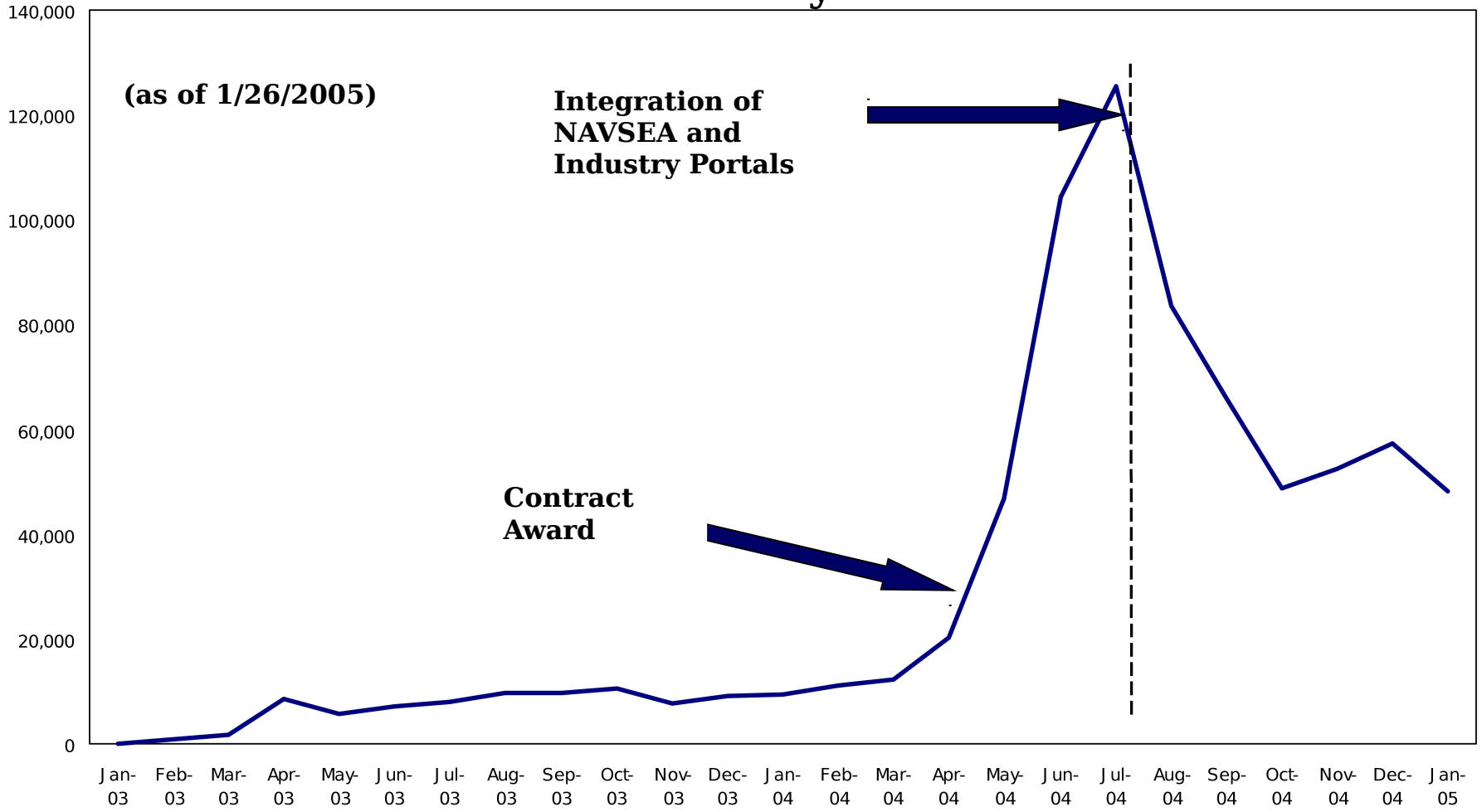
- Jan 2005 VSC Data Call
  - # of users
  - Training locations and dates desired
  - Help desk times
  - # of actions
- Registering users en masse initially
  - Registration process normally virtual one at a time
- Assessing speed and capability of portal
  - Will expand as needed
- Assessing training requirements and laying out options

Portal Overview

- Created in 2001 for SeaPort and enhanced in 2004 for SeaPort-e
- Managed by Aquilent
- Role based permissions - Must register and be approved prior to use
- Two components:
  - Government Portal
    - Develop requirements, evaluation proposals, and administer Task Orders
  - Industry Portal
    - Identify opportunities, offer proposals, and task order administration

Portal Visits

Total Monthly Portal Visits – Government and Industry



Registered Users: Government – 1,217, Industry – 1,117)

Small Business Participation

- 33% goal (dollars obligated) for small business prime contract award over life of the contract and award term options.
- 20% requirement (dollars obligated) for large business subcontracting to small business.
- The Government reserves the right to set aside any task for small business, or if two or more qualified small businesses propose during the fair consideration process (cascading) the task may be set aside for Small Business.
- 68% of current MAC Prime contractors are Small

Small Business Participation

- Small Business Size Standard
  - NAICS Code 541330
  - Small Business Size Std $23 Million in average annual sales over the past three years.

- Task Order Set-Asides
  - Potential for additional set aside categories, including HUBZONE, 8A and SDVOSB dependent on participation by enough primes in these categories in the geographic zones to make this possible

- Small Business need only demonstrate that they

SECTION B
SUPPLIES/SERVICES

Section B Characteristics

- Pricing consists of cost reimbursement (CPFF, CPAF, CPIF) Fixed Price and Fixed Price Incentive (FFP, FPI) Task Orders.
- No T&M or undefinitized Orders.
- Base performance period of 5 years with two 5 year Award

Term options. Goal is to align rolling admission awardees

period of performance with the existing MAC, which commenced the base period in April 2004. New awardees will likely have a base period of approximately 4 years to accomplish this. FY 2005 appropriation language requires an

LINE ITEM STRUCTURE (EXAMPLE)

BASE PERIOD – 5 Years

(See Section H Special Provision)

Base period may be less than 5 years to align new awardee Period of performance with existing MACs

SECTION B SUPPLIES/SERVICES

- 1000 Engineering, Technical and Programmatic Support Services (Cost Reimbursement) — 29,425,000 hrs — Max Hourly Rate By Offeror — Estimated Cost Plus FF — Estimated Cost — Provided — Total —

- 2000 Engineering, Technical and Programmatic Support Services (Fixed Price) — 24,060 Fixed Price Orders Total Ceiling $3,424,820,700

- 3000 ODC's — 1 Lot — $ 362,260,168

Section H Special Provisions

- Rolling Admissions
- Guaranteed Savings
- Geographic Zones
- Award Term Provisions

Rolling Admissions

- New contracts may be awarded when the Government decides it
  appropriate to announce a new competition for the purpose of ad
  ID/IQ holders. Could be for a specific Zone or Zone(s), select gro
  requirements or types of businesses (Small Business).

- Common schedule to evaluate criteria

- Common criteria
  - Small Business participation
  - All requirements are fulfilled
  - Quality of performance by each Prime
  - Number, value and complexity of work assigned to each Prime
  - Adequate competition
  - Transaction costs for issuing Orders
  - Need for revised scope or ordering offices

Guaranteed Savings Clause

The Government anticipates this contract will be used primarily for the acqu
high dollar value professional support services. Therefore, the Government
contractors to identify business improvement processes, innovations, and co
to provide high quality services at a reduced cost to the Government. For an
a base period of one year under Item 1000 thru 3000 and all Option Items th
to the maximum extent practicable to reduce the price for services performe
sequential year by at least:

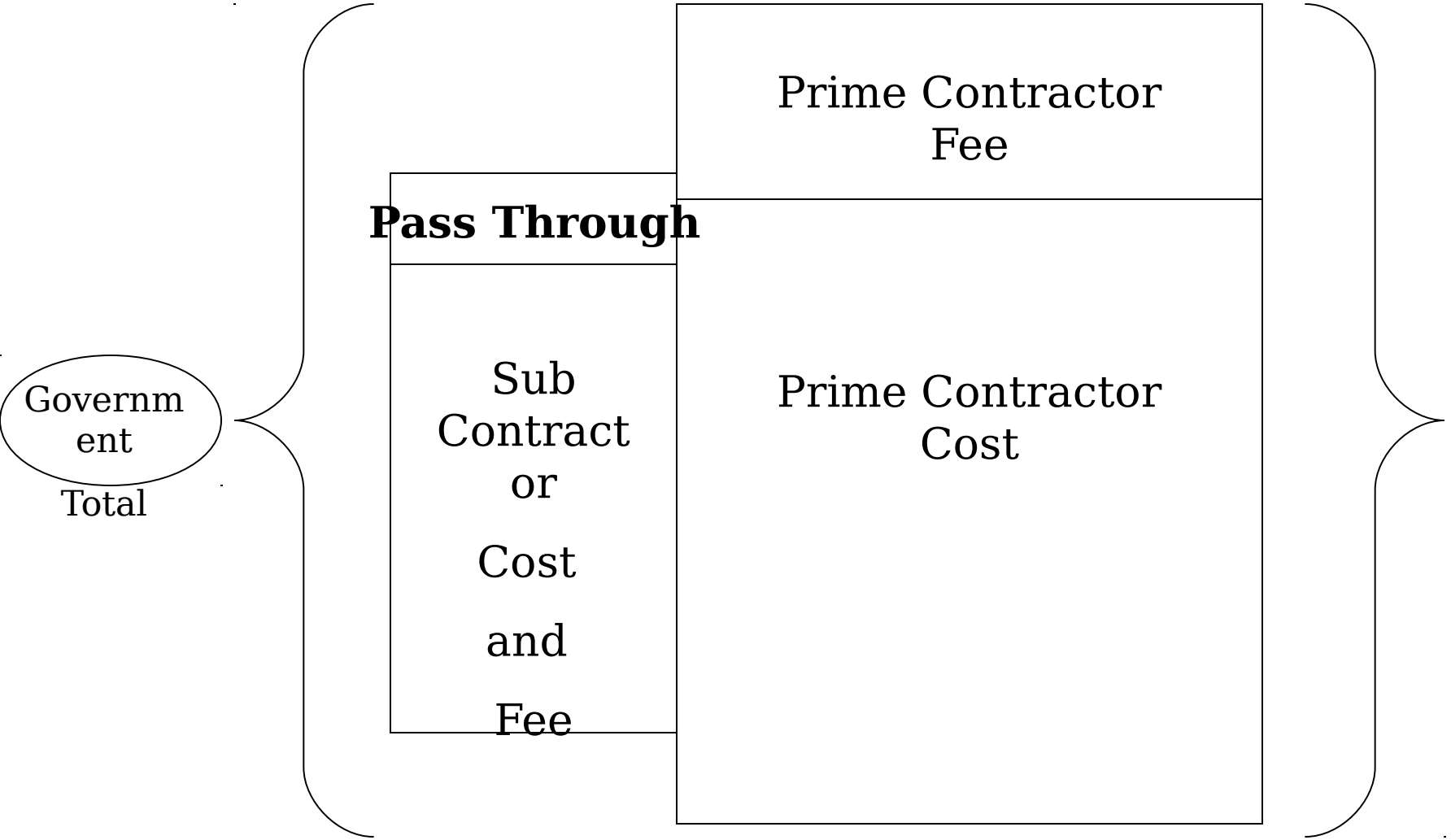
% Reductions from base period or price from previous year:

Year 1	_____*	%
Year 2	_____*	%
Year 3	_____*	%
Year 4	_____*	%

In addition, the Contractor agrees to provide the Government with a volume
total value of all Task Orders awarded within a calendar year exceeds ___$ *__
will reduce the amount bid on all Task Orders issued in the next calendar yea
price the Contractor would have otherwise bid for the work.

Guaranteed Savings Clause (Con't)

The Contractor agrees that the maximum pass through rate which shall be charged against any and all line items under this contract shall not exceed ___ %. The maximum pass through rate is equal to the maximum amount above the price of the work paid to the Firm subcontracted to perform the work. Pass through includes all costs indirect and direct and fees applied to the subcontracted amount. The prime contractor shall not apply any additional fees and burdens on pass through.


Prime Contractor
Fee
Pass Through
Sub
Contract
or
Cost
and
Fee
Prime Contractor
Cost
Governm
ent
Total

Geographic Zones

During the proposal process Offerors will be requested to identify the geographic Zone or Zone(s) for which they w to be considered during the Task Order, Fair Considerati

IMPORTANT: ***To be considered in one or more o seven zones you must have held or currently hold a prime or subcontra currently have a local office staffed prime or a sub in the zone(s) in whi you wish to be considered.***

Virtual SYSCOM ordering offices will solicit these Zones for services to be performed during the life of this contract.

Award Term Provisions

- The Solicitation will contain two Award Term Option of five years each, dependent upon contract length lim waiver request.

- Exercise of Award Term Option periods will be a unilat of the Government and are not a contractor entitlemen

- Award Term Incentives will be evaluated on:
  - Performance on Completed Task Orders
  - Achievement of Subcontracting Goals (Large Busine
  - Guaranteed Savings Accomplishment

SECTION L INSTRUCTIONS TO OFFERORS

Page Limitations

- Evaluation Factor 1: Technical Capability
  (a) Depth and Breadth — Table A plus 10 pages
  (b) Management Approach — 5 pages
  (c) Subcontracting — 5 pages (Exclusive of Small Business Pla
  (Large Business Only) — Requirements of FAR 19.7 and

- Evaluation Factor 2: Past Performance — No separate subn
  (included in Table A)

- Evaluation Factor 3: Price
  (a) Guaranteed Savings and Cost Approach — 20 pages
  (b) Ceiling Unit Price for Item 1000 — 1 page

  This Rate Must:
  - Be the actual hourly labor rate,
  - From the most recent accounting year,
  - For the highest (direct cost) labor category within the proposed.

Depth and Breadth

(Not to exceed 10 pages)

- Depth and Breadth:
  - Offerors shall complete Table A to demonstrate depth and breadth of experience within the past 3 years.
  - Offerors shall discuss in detail experience/expertise identified for each listing found in Table A.

Table A (example)

Page 1

PAST PERFORMANCE INFORMATION							
	Contract No.	**Prime or Sub**	**$ Value**	**Date Completed**	*** Performance Zones To Be Considered In**	**Pages 1 Section 1.2 of SOW Product Area For Which Function Was Performed**	**Government POC (Phone Number)**
Functional Area (SOW 3.1-3.2)							
3.1 R&D Support							
3.2 Engineering Support	N61331-01-D-0020	P	15,000,000	15-May-2003	Gulf Coast	Littoral Warfare	M. Dulatt, 850-XXX-XXXX
3.3 Modeling							
3.4 Prototyping							
3.5 System Des Doc/Tech Data							
3.6 Software							
3.7 RM&A							
3.8 HF Engineering Support							
3.9 System Safety							
3.10 CM Support							
3.11 QA Support							
3.12 IS / IA / IT							
3.13 Ship Inactivation/Disposal							
3.14 Interoperability/T&E/ Trials							
3.15 Measure Facilities / Ranges							
3.16 Acquisition Logistics							
3.17 Supply & Provisioning							
3.18 Training							
3.19 In-Serivce Eng							
3.20 Program Support							
3.21 Administrative Support							

* To be considered in one or more of the Seven (7) Zones the Offeror must have or had a prime or subcontract or currently have a local office staffed by the prime or a sub in the Zone or Zone(s)

Table A (example) Page 2

WORKFORCE QUALIFICATIONS								
	Degree/ Functional Area Proposed	**School**	**Discipline**	**Proposed Position**	**Contingent Employee (Yes or No)**	**Employer/ Location**	**Brief Description of Experience Relevant to Functional Area Within Past 3 Years**	**Minimum Company Qualifications to Hold Position**
NAME								
John Q. Smith	B.S./3.6	University of Alabama	Mechanical Engineering	Sr. Mech Engineer	**Y**	ABC Col., Panama City	2000-2003:5 years - Sr. Mech Design Engineer on AN/AQS-20A, 1998-200 2 Years Structural Design	BS in Scinece or Engineering discipline, 1 Year experience in Structural Design

Management Approach
(Not to exceed 5 pages)

- Describe approach to integrate engineering, technical and programmatic support service within and across Virtual SYSCOM activities to institute best practices and realize cost savings.

- Describe approach to mold, manage and maintain this effort including your:
  - Capability to manage the effort (or team if so proposed)
  - Ability to manage change to preserve stability and maintain technical expertise in the workforce
  - Ability to monitor and maximize quality
  - Approach to guarantee responsiveness to and cooperation with customers

Subcontracting, Large Business Only

(Not to exceed 10 pages)

- At least 20% of the total dollars obligated under the contract (not p
  must be subcontracted to Small Businesses. The following specific
  requirements must be met:

  - 5% of dollars obligated (not per Task Order) to Small Disadvant
  - 5% of dollars obligated (not per Task Order) to Women-Owned S
  - 3% of dollars obligated (not per Task Order) to Hub-Zones
  - 1.5% of dollars obligated (not per Task Order) to Service Disabl

    Veteran Owned Small Business

- The Offeror shall submit a copy of all subcontractors or Teaming ag
  any Team Member who may perform effort directly chargeable to t

- The offeror shall submit copies of final SF 294's for recent relevant
  best demonstrates their ability to achieve the proposed subcontract

Past Performance

(No separate submission required)

Table A entries of recent significant relevant experien
performed within the past three (3) years. In addition,
Government may use other information available from
Government sources to evaluate an Offeror’s past perf

Price/Cost

(Not to exceed 21 pages)

- Guaranteed Savings Clause (20 pages)
  - Price Reductions
  - Volume Discounts
  - Pass through Costs
- Proposed approach for additional cost savings initi
  (included in above page count)
- Ceiling Unit Price for Item 1000 (1 page)

SECTION M
EVALUATION PROCESS

Factors To Be Considered For Award

Best Value Source Selection:

- Factor 1 Technical Capability
  - Depth and Breadth

  Management Approach
  - Management Plan
  - Subcontracting (Large Business Only)
  - Subcontractor/Teaming arrangements

- Factor 2 Past Performance

- Factor 3 Price
  - Guaranteed Savings and Cost Approach
  - Ceiling Unit Price for Item 1000
  - Compensation plan

Factor 1 is significantly more important than Factors 2 and 3. Factor 2 is m
than Factor 3. Although the technical capability, management, and past per
factors are more important than price, price is a substantial factor. All sub-f
of equal weight within the factor.

Evaluation Process

- The Government will evaluate the Offerors Technical Capability, Past Performance and Price Proposals usi four adjective rating definitions.

    - Outstanding
    - Good
    - Satisfactory
    - Unsatisfactory

Cost/Price Evaluation

- The offeror must demonstrate a commitment to price reduction. Th
  must include the following:

- The percentages proposed in the Guaranteed savings clause must e
  year, which is convincingly substantiated in the price proposal.

- The maximum pass through rate proposed is less than 5%

- The unit ceiling rate for Item 1000 is:

  The actual hourly rate for the team's highest paid labor category,
  DCAA recommended rates (if applicable),
  Using less than or equal to 6% annual escalation and

- A fee/profit percentage equal to or less than 8%.

- The cost savings approach must have a possibility of resulting in sa

Post Award – Task Order Procedures

- After Award of the multiple Award Contracts, Task Orders will be competed by Virtual SYSCOM ordering activities to meet various Project/Program requirements.

  - Review by the Local Site Deputy for Small Business to determine if the Task should be directly set aside, potentially set aside (cascading), or be fully and openly competed.

  - Requirements personnel choose most appropriate selection criteria.

  - Task Orders scaled to meet requirements and can be for a base and option periods.

  - The Government has no obligation to issue any orders except the minimum obligation which is currently $10,000,

Fair Opportunity Procedures

- A Fair opportunity will be given to all eligible contractors in the applicab

proposed by the Offerors in which the Ordering Officer resides.

Exceptions to Fair Opportunity Consideration Awardees will not be given a opportunity to be considered for requirements which are expected to excee when the Contracting Officer determines one of the following conditions ap

- The agency need for such services is of such **urgency** that providing suc would result in unacceptable delays;
- **Only one** Awardee is **capable** of providing such services required at the quality required because the services ordered are unique or highly speci
- The order must be issued on a Sole-Source basis in the interest of econo efficiency because it is a **logical follow on** to an Order already issued u in which Awardees were given a fair opportunity to be considered.
- It is necessary to place an order to satisfy a **minimum** guarantee.

In accordance with FAR 16.5, when an exception to the fair opportunity to b exists, the Task Order will be processed as a Sole Source procurement, inclu Source justification, posting of the Task Order to the website, a request to t provider for a Proposal, Cost and Pricing Data where applicable, negotiation Unaffected ID/IQ holders will not be notified of the exception.

(Cont)

Fair Opportunity Procedures

Pre Solicitation and Solicitation All ID/IQ holders in the relevant Zone(s) will receive notification of the posting of each proposed Task Order at the time a proposed Task Order is posted to the website. All proposed Task Order's incorporate all terms of the ID/IQ contract unless otherwise specified in the proposed Task Order. In addition, the proposed Task Order will include:

i. All known information including Sections B through H of the Task Order (Line Items, Statement of Work or objectives, packaging and marking information, data rights,inspection and acceptance of the services, period of performance, security, government property/information to be provided and other relevant information.

ii. The means and time for the ID/IQ holders to respond expressing interest and providing appropriate information.

iii. Specific instructions for the means of responding to the Task Order request, including but not limited to, oral interviews, reverse auctions, written

(Cont)

Fair Opportunity Procedures

It is the intent of the Government to maximize the use of electronic s
all proposals in response to Task Order request(s).

- During the Fair Opportunity Process the Government may elect to
  Task Orders totally for Small Business participation prior to issua
  Task Order, or may elect to set aside the Task Order for Small Bus
  responses have been received if it is determined that two or more
  Small Business propose. In order to be considered a Small Busine
  process, the Offeror must 1) not exceed the NAICS Code 541330 s
  $23 Million in average annual sales over the past three years and
  at least 51% of the work proposed for the Task Order.

Questions

Approximately 800 questions were formally received from industry and documented during the initial award of Seaport ***e*** MACs in 2004. These questions and answers are categorized by the areas of the original solicitation that they pertain to, and are posted along with the original solicitation under the rolling admissions link on the www.seaport.navy.mil homepage. An additional 159 questions were answered based on the draft RFP and are posted also. Please review these materials prior to asking additional questions.

Please email your questions to:

e-pco@seaport.navy.mil

www.seaport.navy.mil

NAVSEA

NAVAIR

VIRTUAL SYSCOM
NAVSEA
NAVAIR
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SPAWAR
NAVY

NAVY
Strategic Systems Programs
Nuclear Deterrence
Ballistic Missile Systems
Conventional Deterrence
From the Sea

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